

Year End & Q4 2017

Results Webcast & Conference Call

Mar 26, 2018



Yauricocha Mine, Peru



Bolivar Mine, Mexico



Cusi Mine, Mexico

Management Team



Speakers on Today's Webcast & Conference Call:

- Igor Gonzales, President and CEO
- Gordon Babcock, COO
- Ed Guimaraes, CFO
- Mike McAllister, VP Corporate Development

Disclaimer



Certain statements in this presentation constitute forward-looking information within the meaning of Canadian and United States securities legislation. Forward-looking information relates to future events or the anticipated performance of Sierra and reflect management's expectations or beliefs regarding such future events and anticipated performance based on an assumed set of economic conditions and courses of action. In certain cases, statements that contain forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur" or "be achieved" or the negative of these words or comparable terminology. By its very nature forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual performance of Sierra to be materially different from any anticipated performance expressed or implied by such forward-looking information. These include estimates of future production levels; expectations regarding mine production costs; expected trends in mineral prices; changes in general economic conditions and financial markets; changes in prices for silver and other metals; technological and operational hazards in Sierra's mining and mine development activities; risks inherent in mineral exploration; uncertainties inherent in the estimation of mineral reserves, mineral resources, and metal recoveries; the timing and availability of financing; governmental and other approvals; political unrest or instability in countries where Sierra is active; labor relations and other risk factors disclosed in Sierra's Annual Information Form, which is available on SEDAR at www.sedar.com and which is incorporated by reference into the prospectus forming part of the Company's registration statement on Form F-10, filed with the SEC and available at www.sec.gov.

Although Sierra has attempted to identify important factors that could cause actual performance to differ materially from that described in forward-looking information, there may be other factors that cause its performance not to be as anticipated. Sierra neither intends nor assumes any obligation to update these statements containing forward-looking information to reflect changes in assumptions or circumstances other than as required by applicable law. There can be no assurance that forward-looking information will prove to be accurate as actual results and future events could differ materially from those currently anticipated. Accordingly, readers should not place undue reliance on forward-looking information.

This presentation uses the terms "measured resources", "indicated resources" and "inferred resources" as such terms are recognized under National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") adopted by the Canadian Securities Administrators. Readers are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into reserves. In addition, "inferred resources" have a great amount of uncertainty as to their existence and economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian securities rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, or economic studies, except for a "preliminary assessment" as defined under NI 43-101. Investors are cautioned not to assume that part or all of an inferred resource exists, or is economically or legally mineable.

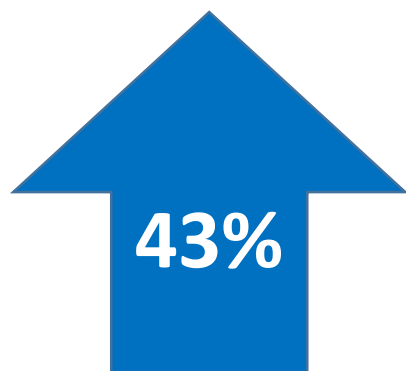
Gordon Babcock B.Sc., P.Eng., is the qualified person as defined in NI 43-101 and Chief Operating Officer for Sierra Metals supervised the preparation of the operational scientific and technical information for Sierra Metals included in this presentation.

Cautionary Note to U.S. Investors: While the terms "measured resources", "indicated resources", and "inferred resources" are defined in and required to be disclosed by NI 43-101 these terms are not defined under SEC Industry Guide 7 and are normally not permitted to be used in reports and registration statements filed with the SEC. Investors are cautioned not to assume that all or any part of a mineral deposit in these categories will ever be converted into reserves. Accordingly, information concerning mineral deposits contained in or referred to in this presentation may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

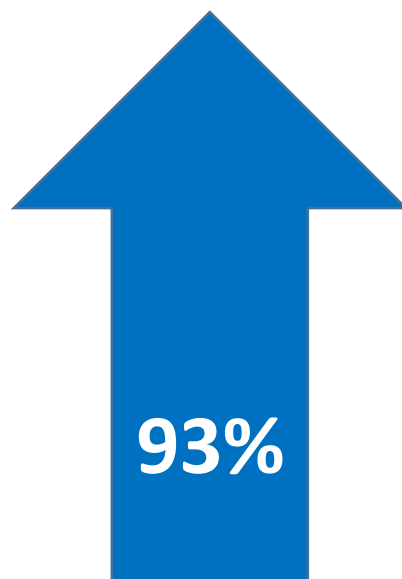
Use of Non-IFRS Financial Measures: This presentation contains "Non-IFRS" financial measures including all-in-sustaining costs, EBITDA, Free Cash Flow and Net Debt. Sierra uses these Non-IFRS performance measures and ratios in managing its business. Sierra believes that these measures assist investors in understanding the company's performance. Non-IFRS financial measures should be viewed in addition to, and not as an alternative for, the reported operating results or cash flow from operations or any other measures prepared in accordance with IFRS. In addition, the presentation of these measures may not be comparable to similarly situated titled measures that other companies use. Please see Reconciliation of IFRS to Non-IFRS Financial Measures in the Appendix to this presentation for a reconciliation to the most comparable IFRS financial measure.

Additional Information: Sierra Metals Inc. has filed a base prospectus and a prospectus supplement with the Canadian Securities Commission and a registration statement (including a prospectus and prospectus supplement) with the SEC for an "at the market" offering of its Common Shares ("ATM offering"). Investors considering a purchase of shares in this offering should read the prospectus, prospectus supplement and documents incorporated into that registration statement and other documents that Sierra Metals has filed with the SEC for more information concerning the ATM offering and the issuer. These documents are available without charge from the SEC's EDGAR database at www.sec.com and on SEDAR at www.sedar.ca.

Financial Highlights for 2017



Revenue
\$205.1 M

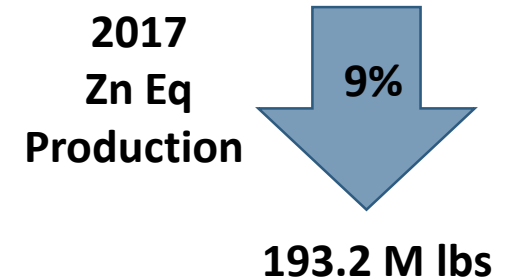
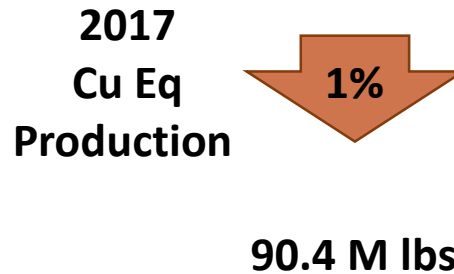
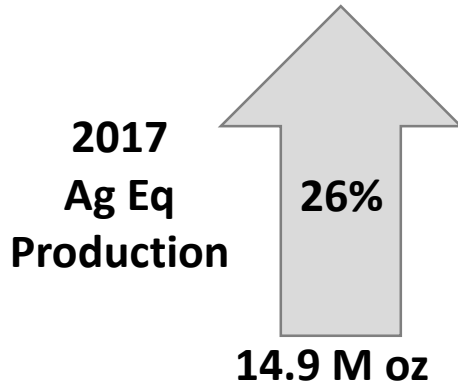


Adjusted EBITDA
\$81.0 M



Cash
\$23.9 M
As at Dec 31, 2017

Production Highlights for 2017



**1,988,738 total tonnes
processed in 2017**

- Decrease in metal production due to lower production in Mexico partially offset by record throughput at Yauricocha, which led to an increase in production in Peru.

Highlights for 2017



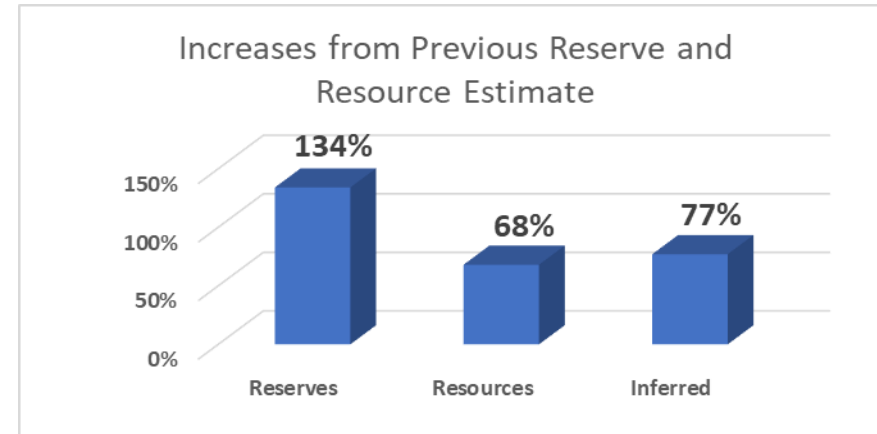
- Operation turnaround program in Mexico focused on:
 - Modernize operations
 - Improve production
 - Lower costs
- Production improvements in Q4 2017 vs Q3 2017 and expected to continue in H1 2018
 - Bolivar: 2% increase in throughput
 - New equipment purchases, which allow more minable stopes to be incorporated into the mine plan
 - Cusi: 23% increase in throughput
 - Change in focus from existing narrow vein structures to the Santa Rosa de Lima Zone with larger widths and higher grades
- Successful improvement efforts in metallurgical recoveries in Q4
- Results from turnaround program expected to become more apparent in H1 2018

Highlights for 2017

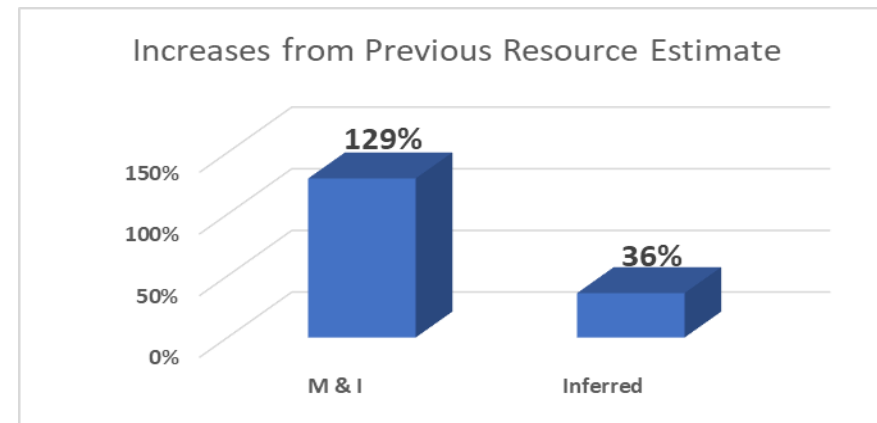
Reserve and Resource Updates



- Sierra Metals filed a NI 43-101 Technical Report updating the Mineral Reserves and Resources at the Yauricocha Mine on November 10, 2017 which was prepared by SRK Consulting (U.S.) Inc.



- Sierra Metals filed a NI 43-101 Technical Report updating the Mineral Resources at the Cusi Mine on February 12, 2018 which was prepared by SRK Consulting (U.S.) Inc.



- Mineral Reserve and Resource Update expected for Bolivar Mine in April 2018

Highlights for 2017

Brownfield Exploration Progress



Brownfield exploration success continues at all Mines with further high value tonnage expected:

Yauricocha

- Esperanza Zone
- Cuye-Mascota Zones

Bolivar

- Bolivar West Zone
- Bolivar Northwest Zone

Cusi

- Santa Rosa de Lima Zone

Operational Performance

Q4-2017



(In thousands of dollars, except per share and cash cost amounts, consolidated figures unless noted otherwise)	Three Months Ended		Year Ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Operating				
Ore Processed / Tonnes Milled	509,488	517,705	1,988,738	2,034,465
Silver Ounces Produced (000's)	496	789	2,317	2,979
Copper Pounds Produced (000's)	7,471	6,153	26,775	23,390
Lead Pounds Produced (000's)	5,736	9,990	29,704	40,551
Zinc Pounds Produced (000's)	19,545	17,039	76,088	56,610
Gold Ounces Produced	1,591	1,867	6,197	8,604
Copper Equivalent Pounds Produced (000's) ¹	21,856	24,969	90,354	91,398
Zinc Equivalent Pounds Produced (000's) ¹	47,287	51,229	193,152	211,583
Silver Equivalent Ounces Produced (000's) ¹	4,078	3,533	14,865	11,798
Cash Cost per Tonne Processed	\$ 50.57	\$ 40.05	\$ 46.87	\$ 40.47
Cost of sales per AgEqOz	\$ 7.91	\$ 7.17	\$ 7.75	\$ 8.72
Cash Cost per AgEqOz ²	\$ 7.54	\$ 6.84	\$ 7.41	\$ 8.58
AISC per AgEqOz ²	\$ 12.42	\$ 12.92	\$ 12.34	\$ 15.11
Cost of sales per CuEqLb ²	\$ 1.48	\$ 1.01	\$ 1.27	\$ 1.02
Cash Cost per CuEqLb ²	\$ 1.41	\$ 0.97	\$ 1.22	\$ 1.00
AISC per CuEqLb ²	\$ 2.32	\$ 1.83	\$ 2.03	\$ 1.77
Cost of sales per ZnEqLb ²	\$ 0.68	\$ 0.49	\$ 0.60	\$ 0.45
Cash Cost per ZnEqLb ²	\$ 0.65	\$ 0.47	\$ 0.57	\$ 0.44
AISC per ZnEqLb ²	\$ 1.07	\$ 0.89	\$ 0.95	\$ 0.80
Cash Cost per ZnEqLb (Yauricocha) ²	\$ 0.57	\$ 0.43	\$ 0.50	\$ 0.42
AISC per ZnEqLb (Yauricocha) ²	\$ 0.90	\$ 0.74	\$ 0.78	\$ 0.71
Cash Cost per CuEqLb (Bolivar) ²	\$ 1.72	\$ 1.00	\$ 1.49	\$ 1.12
AISC per CuEqLb (Bolivar) ²	\$ 3.03	\$ 2.59	\$ 2.68	\$ 2.21
Cash Cost per AgEqOz (Cusi) ²	\$ 18.67	\$ 12.88	\$ 15.38	\$ 9.37
AISC per AgEqOz (Cusi) ²	\$ 36.33	\$ 24.42	\$ 33.90	\$ 18.60

(1) Silver equivalent ounces and copper and zinc equivalent pounds for Q4 2017 were calculated using the following realized prices: \$16.77/oz Ag, \$3.13/lb Cu, \$1.11/lb Pb, \$1.45/lb Zn, \$1,282/oz Au. Silver equivalent ounces and copper and zinc equivalent pounds for Q4 2016 were calculated using the following realized prices: \$16.82/oz Ag, \$2.38/lb Cu, \$0.95/lb Pb, \$1.16/lb Zn, \$1,210/oz Au. Silver equivalent ounces and copper and zinc equivalent pounds for 12M 2017 were calculated using the following realized prices: \$17.14/oz Ag, \$2.82/lb Cu, \$1.06/lb Pb, \$1.32/lb Zn, \$1,265/oz Au. Silver equivalent ounces and copper and zinc equivalent pounds for 12M 2016 were calculated using the following realized prices: \$17.08/oz Ag, \$2.21/lb Cu, \$0.85/lb Pb, \$0.95/lb Zn, \$1,254/oz Au.

(2) This is a non-IFRS performance measure, see Non-IFRS Performance Measures section of the MD&A.

2018 Production Guidance



2017 Equivalent Production (000's)	
Total	
Zinc Eq. (M lbs) ¹	193.2
Copper Eq. (M lbs) ¹	90.4
Silver Eq. (M ozs) ¹	14.9

2017 Production				
Mine	Yauricocha	Bolivar	Cusi	Total
Silver (M oz)	1.7	0.3	0.3	2.3
Copper (M lb)	11.7	15.1	-	26.8
Lead (M lb)	27.9	-	1.7	29.6
Zinc (M lb)	75.2	-	0.9	76.1
Gold (K oz)	2.9	2.9	0.4	6.2

2018 Production Guidance (000's)		
	Low	High
Zinc Eq. (M lbs) ¹	183.8	214.5
Copper Eq. (M lbs) ¹	89.2	104.0
Silver Eq. (M ozs) ¹	13.9	16.2

2018 Guidance		
	Low	High
Silver (M oz)	2.5	2.9
Copper (M lb)	32.7	38.1
Lead (M lb)	19.1	22.3
Zinc (M lb)	62.9	73.4
Gold (K oz)	6.7	7.8

- Bolivar - Current mill throughput 3,000 tpd → End of 2018, 3,500 tpd
- Cusi - Current mill throughput 450 tpd → 2Q18, 650 tpd
- Yauricocha - Current mill throughput 3,000 tpd

Growth and Productivity Improvement Initiatives



Scoping and PEA Studies

- Initiate preliminary scoping / PEA studies for all three mines, with the Intent of production optimization at all sites
 - Follow up with Prefeasibility and Feasibility studies to finalize future operational production increases and or maintain operations at a status quo
 - Focus on including reviews of plant optimization strategies, mine shaft and infrastructure improvements, and review of processing plant efficiencies

Yauricocha Tunnel

- During 2018 the final infrastructure for the Yauricocha tunnel will be completed
 - Enables the mine to have a direct run to the mill, resulting in a faster turn-around in the cycle time of the trolley locomotives
 - Will allow for more capacity to handle larger volumes of waste and ore
 - Provides another ventilation inlet to the mine, benefits current ventilation system
 - The tunnel should be fully operational by the beginning of Q3 2018

Growth and Productivity Improvements



Yauricocha Shaft

- Yauricocha shaft will be sunk to the 1270 level in 2018 with a loading pocket added below the 1170 working level
- Commencement of an additional three loading points with independent discharge points for haulage on the 1170 level with expected completion in 2020

Bolivar Ball Mill Addition

- Additional, refurbished ball mill recently purchased which will provide flexibility pertaining to grind size and tonnage at the Bolivar operations
- Production is expected to reach 3,000 tonnes per day in Q1 2018 and grow to 3,500 tonnes per day in the second half of 2018

Cusi Ball Mill Addition

- Company has recently purchased a refurbished ball mill to be installed at Mal Paso Mill which will allow production to be ramped up to 1,200 tonnes per day by January 2019

Q4 Exploration Highlights



Yauricocha

- During Q4 2017, the Company drilled 204 holes totaling 9,424 meters meters at Yauricocha
- Exploration Drilling included 10 holes (4,181 meters) at various zones including Cuye, Contacto Sur Medio II, Huamanripa and Escondida West to explore and verify geological anomalies
- Definition drilling comprised of 54 holes (5,778 meters) at Antacaca, Esperanza, Esperanza North, Antacaca Sur, Mascota, Catas and Karlita to define and determine continuity of ore bodies
- On December 19, 2017, the Company announced drilling results demonstrating new limestone replacement mineralization at the Cuye Zone extension located within the Central Mine at Yauricocha.
 - Represents the existence of high-grade polymetallic mineralization at the Northern extension of Cuye
 - Suggest the possibility of even further mineralization at depth specifically from the copper sulphide orebodies which contain significant widths

Q4 Exploration Highlights



- On February 7, 2018 the Company confirmed the extension of wide, high-grade structures at Cuye
 - Copper sulphide mineralized areas have been defined containing intersections of more than 99 meters which remain open at depth
 - Drill hole 13 intercepted over 120 meters of continued high grade polymetallic and copper mineralization and included a 21-meter intercept of polymetallic mineralization followed by a 99-meter copper sulphide intercept

Bolivar

- At Bolívar during Q4 2017, 10,402 meters were drilled from surface as well as diamond drilling within the mine
- Diamond drilling from surface totaled 8,636 in the Bolivar Northwest area, exploring the extension of the orebody to the North and West

Cusi

The Company drilled 846 meters inside the mines to verify the continuity of the orebodies and support development work on the various veins and 153 meters on surface

Financial Highlights

Q4 2017



(In thousands of dollars, except per share and cash cost amounts, consolidated figures unless noted otherwise)	Three Months Ended		Year Ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
Financial				
Revenues	\$ 51,170	\$ 41,825	\$ 205,118	\$ 143,180
Adjusted EBITDA ²	\$ 19,208	\$ 15,985	\$ 81,034	\$ 41,887
Operating cash flows before movements in working capital	\$ 17,812	\$ 16,197	\$ 79,785	\$ 44,303
Adjusted net income attributable to shareholders ²	\$ 3,241	\$ 3,516	\$ 23,482	\$ 7,006
Net income (loss) attributable to shareholders	\$ 2,118	\$ (5,076)	\$ (4,645)	\$ (12,265)
Cash and cash equivalents	\$ 23,878	\$ 42,145	\$ 23,878	\$ 42,145
Working capital	\$ (6,784)	\$ 9,576	\$ (6,784)	\$ 9,576

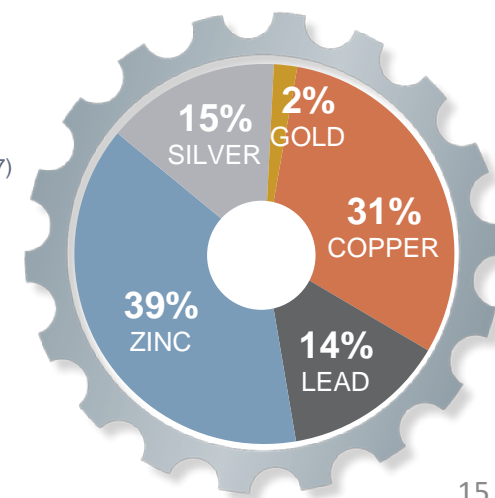
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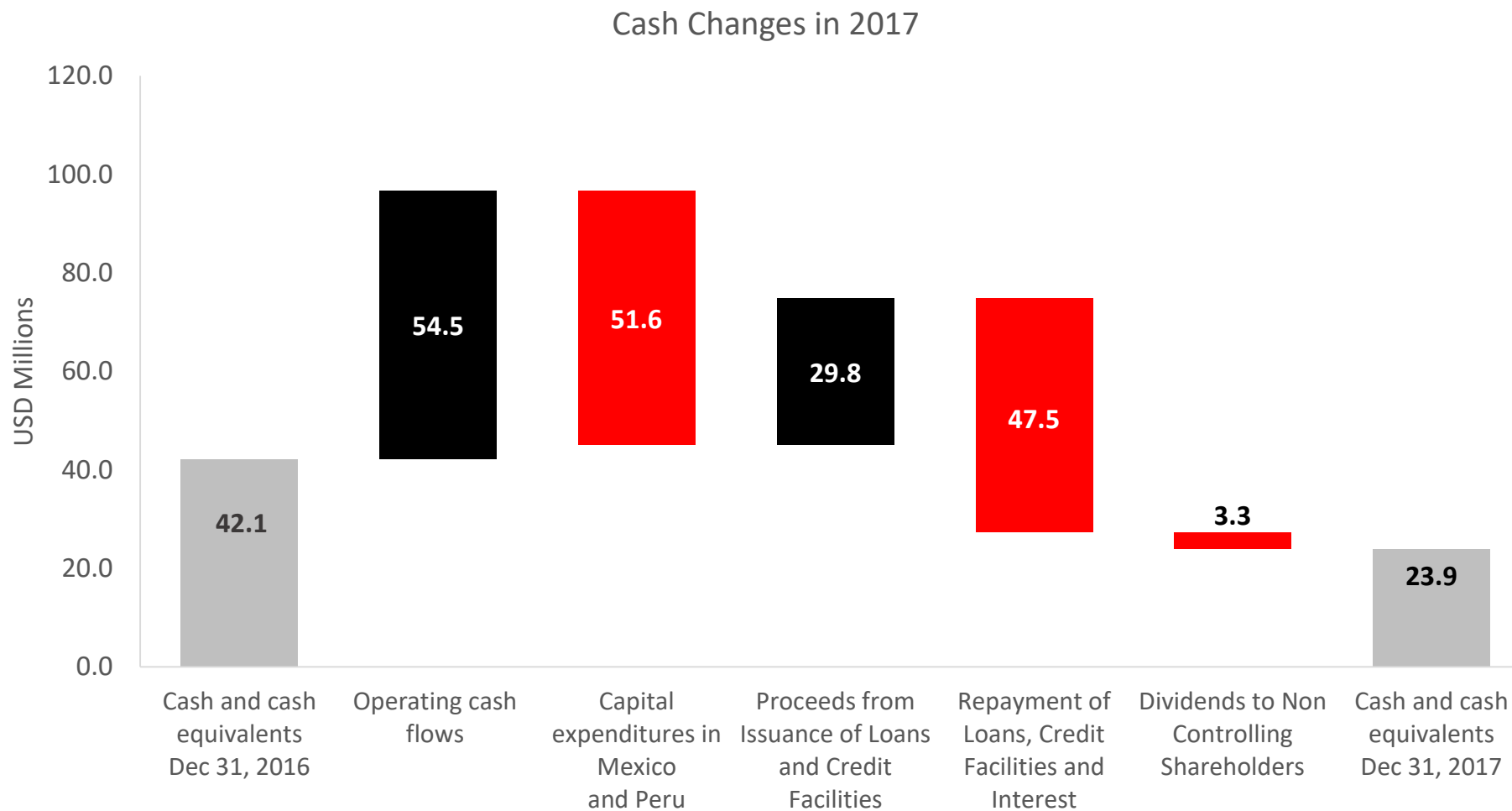
Realized Metal Prices	2017	2017	2017	2017	2017
(In US dollars)	Q4	Q3	Q2	Q1	YTD
Silver (oz)	\$16.77	\$16.86	\$17.22	\$17.71	\$17.14
Copper (lb)	\$ 3.13	\$ 2.93	\$ 2.58	\$ 2.64	\$ 2.82
Lead (lb)	\$ 1.11	\$ 1.08	\$ 0.99	\$ 1.04	\$ 1.06
Zinc (lb)	\$ 1.45	\$ 1.36	\$ 1.20	\$ 1.27	\$ 1.32
Gold (oz)	\$1,282	\$1,280	\$1,265	\$1,231	\$1,265

Revenue Mix by Metal

(12 months ending Dec 31, 2017)



2017 Cash Flow



Financial Position



Balance Sheet

(As of December 30, 2017) (USD in millions)

Cash and Cash Equivalents	\$23.9
Undrawn Credit Facilities	\$15.0
TOTAL LIQUIDITY	\$38.9
BCP Acquisition Credit Facility	\$40.3
BCP Credit Facility	\$21.3
Lines of Credit and other	\$3.2
TOTAL DEBT	\$64.8
NET DEBT	\$41.0

Capital Efficient Growth



2018 Guidance: Production, Cash Costs and AISC

Mine		Equivalent Production Range	Cash Costs per ZnEqLb or CuEqLb or AgEqOz Sold	AISC (\$) * per ZnEqLb or CuEqLb or AgEqOz Sold
Yauricocha	Zinc Eq Lbs (000's)	123,897 - 144,546	\$0.62/lb	\$0.78/lb
Bolivar	Copper Eq Lbs (000's)	21,986 - 25,651	\$1.60/lb	\$1.96/lb
Cusi	Silver Eq Ozs (000's)	1,205 - 1,406	\$11.12/oz	\$14.28/oz

*AISC includes Treatment and Refining Charges, Selling Costs, G&A Costs and Sustaining Capex

(1) 2018 Silver equivalent ounces, copper and zinc equivalent pounds were calculated using the following metal prices: \$18.25/oz Ag, \$3.00/lb Cu, \$1.05/lb Pb, \$1.38/lb Zn, \$1,291/oz Au

2018 Capex Guidance

US\$ million	Yauricocha	Bolivar	Cusi	Total
Sustaining Capex	8.4	2.8	1.9	13.1
Exploration Capex	4.8	1.2	3.2	9.2
Growth Capex	14.5	7.8	4.2	26.5
TOTAL	27.7	11.8	9.3	48.8
Exploration Drilling (meters)	33,500	10,000	27,750	71,250

Contact Information



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